

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6539**

**BILL NUMBER:** HB 1201

**DATE PREPARED:** Nov 29, 2001

**BILL AMENDED:**

**SUBJECT:** School Donations to Community Foundations.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows the governing body of a school corporation to donate specified sources of revenue to a charitable nonprofit community foundation if the foundation retains all rights to the donation and agrees to: (1) hold the donation as a permanent endowment; (2) distribute income from the donation only to the school corporation; and (3) return the donation to the school corporation's general fund under certain conditions. It specifies that a school corporation may use the income generated by the donation only for purposes of the school corporation.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill allows schools to donate non-tax revenue to a foundation. The impact would depend on the number of schools that chose to donate. The income from the donation would be revenue to the school, and the revenue could only be used for school purposes. The bill would probably have minor impact on schools.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Local School Corporations.

**Information Sources:**